

STATE OF MISSOURI

2005

FLEET MANAGEMENT ANNUAL REPORT



Michael Keathley
Commissioner of Administration

Prepared by
State of Missouri
Office of Administration
Division of General Services
State Fleet Management

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Executive Summary

Missouri's State Fleet Management Program continues to build a solid foundation for the future of fleet management in the State of Missouri. Section 37.450 RSMo. requires the State Fleet Manager to produce an annual report outlining the status of the state vehicle fleet and recommend changes needed to improve fleet management within the state. This report includes details of progress made in 2005, the current state of the vehicle fleet, and fleet management goals for 2006. A history of prior fleet management initiatives from 1997 – 2004 is included for reference purposes as Appendix A.

State Fleet Management is assigned to the Office of Administration, Division of General Services. The State Fleet Manager coordinates all aspects of the program which performs the following functions:

- Coordinates statewide fleet management activities
- Develops vehicle policy and monitors agency compliance with the State Vehicle Policy (SP-4)
- Administers the State Fleet Information System
- Pre-approves passenger vehicle purchases
- Reports the status of the state vehicle fleet annually to the Governor and the General Assembly
- Serves as a resource for state agencies

Missouri state agencies independently manage their vehicles in accordance with state statutes and the State Vehicle Policy. The Office of Administration develops policies with the assistance of agency fleet managers.

The highlight of 2005 was recognition for recent efforts to increase the efficiency of the state vehicle fleet. In September, the interagency Fleet Management Team won the Governor's Award for Quality and Productivity in the efficiency category. Additionally in 2005, State Fleet Management accomplished the following:

- Initiated a new Smart Lease Vehicle Program to reduce agency mileage reimbursement expenditures for certain employees
- Awarded a new fleet fuel card contract
- Completed a fleet condition assessment and presented vehicle replacement needs, along with financing options to the Office of Administration, Division of Budget and Planning
- Began work on a major system upgrade to the State Fleet Information System

State Fleet Management Program goals for 2006 are detailed beginning on page five. The condition of the state fleet, replacement needs and financing options are highlighted in this report beginning on page eight.

Agency Fleet Managers

The Fleet Management Advisory Committee (FleetMAC) is comprised of representatives from state agencies who provide valuable input into decisions affecting fleet management within the state. Agency fleet managers serve as a single point of contact between the State Fleet Manager and their respective agency on all fleet related issues.

Agency fleet managers are listed below:

Agriculture.....	Alan Clements
Attorney General's Office.....	Arlene Boessen
Auditor's Office.....	Mark Henley
Conservation.....	James Gerling
Corrections.....	Joan Hays
Economic Development.....	Rhonda Meyer
Elementary & Secondary Education.....	Rich Villmer
Governor's Office.....	Kim Arnold
Health & Senior Services.....	Kevin Kolb
Higher Education.....	Janelle Jaegers
Insurance.....	Shirley Gerling
Labor & Industrial Relations.....	Doug Stephan
Mental Health.....	Mike Haake
Missouri Lottery.....	Rick Petty
Missouri State Highway Patrol.....	Larry Rains
Natural Resources.....	Stan Perkins
Office of Administration.....	Cynthia Dixon
Public Safety.....	Rhonda Fogelbach
Revenue.....	Brenda Davis
Secretary of State.....	Carl Greeson
Social Services.....	Al Gage
State Courts Administrator.....	Donna Melcher
State Tax Commission.....	Stacey Jacobs
Transportation.....	Jeannie Wilson
Treasurer's Office.....	Nancy Tennison

A. 2005 Program Review

Fleet Management Team Receives 2005 Governor's Award for Quality and Productivity

The interagency Fleet Management Team was recognized as one of six winners of the 2005 Governor's Award for Quality and Productivity. The team won the award in the efficiency category. Governor Matt Blunt recognized the team at a ceremony on September 20, 2005 for the following accomplishments:

- Developed and implemented a comprehensive State Vehicle Policy
- Reduced commuting in state vehicles by 74%
- Implemented a uniform fleet tracking system with reporting capabilities
- Established an accurate count of the number of state owned vehicles
- Eliminated over 1,100 underutilized vehicles from the state fleet
- Increased the efficiency of pool vehicles by 18%
- Created the *Trip Optimizer*, an interactive web application to assist employees in determining the most cost effective mode of travel

Pictured below are Governor Matt Blunt and Commissioner of Administration Michael Keathley with the winning team members.



Team Members: Mark S. Kaiser (OA), Cindy Dixon (OA), Stan Perkins (DNR), Doug Stephan (DOLIR), Rick Contryman (DSS), Rhonda Fogelbach (DPS), Kevin Kolb (DHSS), Mike Haake (DMH), Jim Gerling (MDC), Rich Villmer (DESE), Stacey Jacobs (State Tax Commission), Tonna Snyder (OA), Steve Waters (DED), Shirley Gerling (MDI), Mitzi Roach (OA), Greg Sandbothe (DHE), Alan Clements (MDA), Brenda Davis (DOR), Rick Petty (Lottery), D'ann Uptegrove (OA), Jeannie Wilson (MoDOT), Tom Shultz (OA), Larry Rains (MSHP), Joan Hays (DOC).

A. 2005 Program Review

Governor Blunt Signs Executive Order 05-02 Restricting Vehicle Purchases

On January 11, 2005, Governor Blunt signed Executive Order 05-02 prohibiting the purchase or lease of non-emergency motor vehicles except as approved by the Commissioner of Administration.

OA Awards New State Fleet Fuel Card Contract to Voyager Fleet Systems Resulting in Cost Savings for the State

A new fleet fuel card contract was awarded on July 1, 2005 to U.S. Bank, Voyager Fleet Systems. The new contract includes volume-based rebates that could exceed \$70,000 annually (based on the first rebate). The state also received a \$15,000 signing bonus. For the first time, all state agencies are now using same fleet fuel card for their retail fuel purchases. Previously, MoDOT and the Highway Patrol had a different contractor.

In 2006, the State Fleet Management Program will work closely with Voyager to offer the following program enhancements to state agencies:

- FleetCommander Online, an online reporting and account management tool
- Import of fuel transactions from Voyager into the State Fleet Information System to eliminate data entry of fuel expenses
- Free Roadside Assistance Program

State Fleet Management Begins Implementation of New Smart Lease Vehicle Program

State Fleet Management initiated a new Smart Lease Vehicle Program in December of 2005. Fully implemented, the program may result in savings up to \$850,000 annually by redirecting employee business miles from high cost mileage reimbursement to much lower cost lease purchased state vehicles. Smart Lease will allow agencies to finance the purchase of mid-size sedans on state contract over a five-year period. Immediate savings from mileage reimbursement expenditure reductions will be used to purchase vehicles and generate additional savings in agency operating budgets.

New Electronic Complaint Form to Report Misuse of State Vehicles Now Available

A new web-based form is now available for citizens to confidentially report the misuse of state vehicles. Data entered into the online form is emailed to State Fleet Management and then forwarded to a designated state agency contact. This new process has provided another method for citizens to report the misuse of state vehicles and has greatly reduced time and effort in processing complaints.

A. 2005 Program Review

State Agencies Reduce Travel Expenditures Through Increased Use of the Trip Optimizer and Rental Services Contract

State Fleet Management continued promotion of the *Trip Optimizer* in 2005. The *Trip Optimizer* is a web-based travel cost estimating tool for instate trips. Employees enter their round trip miles and the number of travel days and the most cost effective travel option is displayed between a state or rental vehicle and mileage reimbursement.



Several agencies have now incorporated the use of the *Trip Optimizer* into their internal travel policies. Use of the rental services contract more than doubled in the second year as more agencies began to use rental vehicles as a lower cost option to mileage reimbursement when state vehicles were unavailable.

The below table illustrates rental contract utilization and estimated savings per mile compared to mileage reimbursement.

Rental Contract Utilization And Estimated Savings							
Fiscal Year	Trips	Rental Days	Miles	Average Rental Cost Per Mile	State Mileage Reimbursement Rate	Savings Per Mile	Total Estimated Savings
2004	1,386	3,077	481,722	\$.250	\$.33	\$.08	\$38,537
2005	2,972	6,612	1,042,712	\$.252	\$.345	\$.093	\$96,972

The Trip Optimizer may be accessed via the web at: <http://www.oa.mo.gov/gs/fm/traveloptions.htm>. A new State Travel Policy will be issued in 2006 requiring agencies to use the lowest cost travel option. The new policy will direct more business miles to state and rental vehicles and away from mileage reimbursement which is the most costly per-mile option.

Major Upgrade to the State Fleet Information System In Progress

Major upgrades to the State Fleet Information System were designed in 2005 and will be implemented in 2006. The upgrades will allow for a more robust system to enhance the management of the fleet. The major changes include:

1. New interface with the Department of Revenue to validate driver's licenses of state employees that operate state vehicles
2. New driver incident database to capture state driver accident and complaint history. This data may be used in conjunction with driver's license point data from DOR to direct high risk drivers to driver's safety training

A. 2005 Program Review

3. New interface with Voyager fleet fuel card to reduce data entry of fuel transaction data
4. New carpool scheduling subsystem which will be available to agencies to use for multiple pools at multiple locations
5. Merging of the OA/Vehicle Maintenance system into the State Fleet Information System. This will eliminate duplication of effort by using one system to maintain vehicle data and facilitate vehicle maintenance work order processing. Key features of this system consolidation are:
 - Online work order and scheduling functionality for OA Vehicle Maintenance including email notifications to agencies when work is scheduled and completed
 - Automated billing and payment processing for OA Vehicle Maintenance to reduce duplication of effort and eliminate manual processes
 - Capture of vehicle and parts warranty information to avoid unnecessary expenditures
 - Preventative maintenance reminders emailed to state agencies
 - Printable web pages to display vehicle maintenance history for state vehicles

Agencies Continue To Improve Vehicle Data Reliability

The State Fleet Information System reconciles data with the Department of Revenue records on a quarterly basis to help insure the accuracy of state vehicle data. The reconciliation program checks the accuracy of the vehicle identification number and license number for each agency. Since the inception of the State Fleet Information System in 2003, the error rate has dropped from approximately 10.5% to 1%.

In 2005, State Fleet Management worked with the Department of Revenue to create a new policy that requires agencies to surrender license plates within 90 days if the plates will not be reassigned to another vehicle.

State Fleet Management Consolidates Two Agency Pools Into the OA Pool

In 2005, two agencies, the Department of Public Safety, Director's Office and the Department of Economic Development, Administration Division, consolidated a combined sixteen vehicles into the OA vehicle pool. This move eliminated administrative burdens for the two agencies and effectively increased available vehicles for all agency customers of the OA Pool, which supports OA, elected officials and several other state agencies as a backup to their own internal pools.

A. 2005 Program Review

State Auditor Issues Follow-up Fleet Audit, Acknowledges OA Efforts

The State Auditor's Office issued a Fleet Management Follow-up Audit in December of 2005. The audit acknowledged OA's efforts in implementing the original 2001 audit recommendations. The follow-up audit made other recommendations to reduce costs and improve the efficiency of the fleet. The State Fleet Management Program was already in the process of implementing many of these recommendations. The audit report may be found on the web at: <http://www.auditor.mo.gov/press/2005-96.htm>.

B. 2006 Fleet Management Program Goals

In 2006, the State Fleet Management Program will explore several options to further improve the efficiency of the state fleet. Below are the fleet management goals for 2006:

1. Finalize Implementation of the Smart Lease Vehicle Program

By the end of FY'06, the initial phase of the Smart Lease Vehicle Program should be fully implemented. State Fleet Management will continue to analyze agency mileage reimbursement expenditures and identify employees reimbursed in excess of the established breakeven point where it is more cost effective to utilize a state vehicle.

2. Award Statewide Contract for Preventative Maintenance Services

State Fleet Management will begin a cost saving initiative designed to offer standard preventative maintenance services such as oil changes and tire rotations on a state contract. OA Vehicle Maintenance provides maintenance services for vehicles principally stationed in Jefferson City at a significant savings. The contract will target vehicles stationed outside of the Jefferson City area.

3. Award New Rental Services Contract

The Rental Services contract has been a great success. Estimated FY'05 savings for the contract are approximately \$96,000 as compared to mileage reimbursement. The current contract expires on September 30, 2006. State Fleet Management will work with OA/Purchasing to award a new contract to continue to provide state agencies with a low cost travel option as opposed to personal mileage reimbursement.

4. Implement State Fleet Information System Upgrade

The State Fleet Information System upgrade will be implemented in the summer of 2006. Several system enhancements will provide new functionality for OA Vehicle Maintenance and state agencies. A complete list of the new features is available on pages 3-4.

5. Issue Revised State Vehicle Policy

An improved State Vehicle Policy (SP-4) is under consideration. Subject to review, the revised state vehicle policy should be issued in 2006.

B. 2006 Fleet Management Program Goals

6. *Issue New State Travel Policy*

Section 37.450 RSMo requires the Office of Administration to: “.... *establish guidelines for determining the most cost-effective and reasonable mode of travel under the circumstances for single trips from the following options: passenger rail, vehicle rental, fleet checkout and reimbursement for personal car use.*”

State Fleet Management developed the *Trip Optimizer* tool in 2003 to assist agencies in determining the most cost effective mode of travel for in-state single trips. The *Trip Optimizer* is a great tool for agencies and promotes efficiency for state government. To complement the *Trip Optimizer* and encourage use of the most efficient means of travel, the Office of Administration is considering a new State Travel Policy. While not finalized, a new State Travel Policy may include improvements such as requiring employees to travel together when going to the same destination (whenever reasonable) as well as use the lowest cost, available travel option for in-state ground transportation. Available options include: state vehicles, rental vehicles, mileage reimbursement and on limited occasions, passenger rail. Employees that elect not to take the lowest cost, available travel method will only be reimbursed up to the amount of the state’s lowest cost option.

7. *Continue to Assess the Condition of the Fleet and Propose Fleet Financing Options*

The State Fleet Management Program will continue to monitor and report the condition of the state vehicle fleet to policymakers. Financing options will also be presented to allow decision makers a full range of options to replace the aging state fleet. An assessment of the condition of the state fleet is presented in the next section.

C. Fleet Replacement And Financing

Condition Of The State Vehicle Fleet

If the level of employee business travel remains the same, it is critical to control overall expenditures by ensuring that state employees are directed to the lowest cost travel option, state vehicles. This section of the report contains data on the current condition of the fleet, current estimated value of the fleet and financing options.

The State Fleet Information System contains licensed vehicle data for approximately 3,913¹ state vehicles owned by every agency except the Missouri State Highway Patrol and the Departments of Conservation and Transportation. Vehicle acquisition data including the original funding source is captured to help facilitate replacement planning. Data has been divided by funding source (GR or Other) and by two main vehicle categories (passenger and medium/heavy duty). The current and projected condition of both the passenger and medium/heavy duty fleet are presented in the following pages. The table below illustrates the number of vehicles by funding source and vehicle category in the State Fleet Information System.

Vehicle Category	Vehicle Count by Fund		
	GR	Other	All Funds
Passenger	1,630	1,319	2,949
Medium - Heavy Duty	563	401	964
Total	2,193	1,720	3,913

Passenger Vehicles

The passenger fleet is defined as sedans, light duty trucks, station wagons, SUVs and passenger vans that are subject to a 7- year, 105,000-mile minimum replacement criteria established by State Vehicle Policy (SP-4). Passenger vehicles have a gross vehicle weight rating of less than 8,500 lbs. Agencies must seek preapproval from the State Fleet Manager to purchase passenger vehicles with the exception of those operated by POST certified law enforcement officers.

Condition of the Passenger Vehicle Fleet

Excluding the Missouri Department of Transportation, Conservation and the Missouri State Highway Patrol, the state fleet contains approximately 2,949 *passenger*² type vehicles. General Revenue funded vehicles on average are 1.7 years older and have 21,000 more miles on them than vehicles purchased by other funds.

¹ Data prepared in August 2005.

² Passenger vehicles are defined as light duty sedans, pickups, vans and sport utility vehicles with a gross vehicle weight rating less than 8,500 lbs.

C. Fleet Replacement And Financing

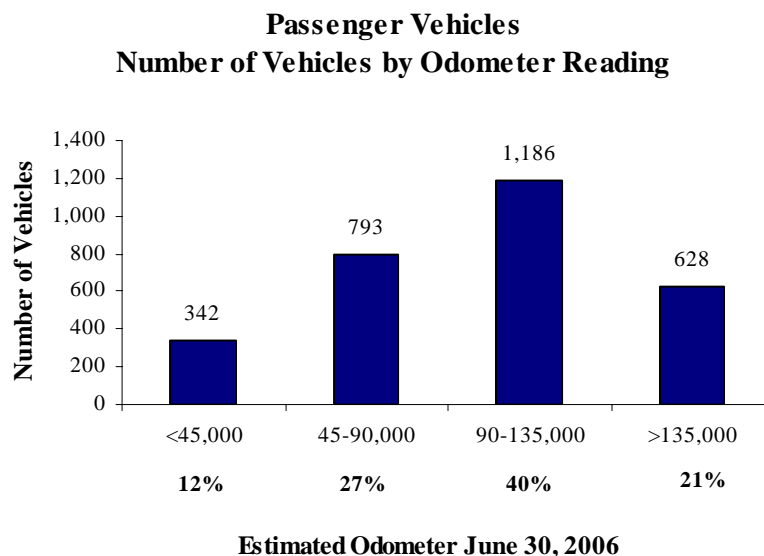
Condition Of The State Vehicle Fleet

The average age and odometer readings of these vehicles by funding source are illustrated below are reflective of the actual or projected condition of the fleet at the end of each fiscal year. FY'06 – FY'09 estimates were calculated under the assumption that no further vehicle replacements would take place and vehicles would be utilized to the same degree as they were in FY'05.

Passenger Vehicles Average Odometer and Age by Funding Source						
	Odometer			Age (in years)		
	GR	Other	All Funds	GR	Other	All Funds
FY'05	98,780	77,253	89,152	7.4	5.7	6.7
FY'06*	112,905	90,603	102,377	8.4	6.7	7.7
FY'07*	125,030	103,953	115,602	9.4	7.7	8.7
FY'08*	138,154	117,302	128,827	10.4	8.7	9.7
FY'09*	151,278	130,651	142,052	11.4	9.7	10.7

**Projection based on FY'05 utilization and age.*

The chart below illustrates the estimated number of passenger vehicles (all funds) at various mileage ranges at the end of FY'06.



C. Fleet Replacement And Financing

Condition Of The State Vehicle Fleet

Passenger Fleet Condition by Agency – General Revenue Fund

The following table illustrates the GR funded passenger vehicle fleet condition estimates for FY'07 by agency. The table is sorted in descending order by the number of vehicles that meet or exceed the minimum replacement criteria of 7 years or 105,000 miles. The average age and odometer illustrated below are only for this universe of vehicles that will meet or exceed the minimum replacement criteria (not the entire fleet).

		FY 07 Estimates for Vehicles that Meet or Exceed 7 Years or 105,000 Miles			
Agency	GR Passenger Vehicle Count	# Vehicles that Meet or Exceed Min Replacement Criteria	% of GR Fleet Eligible for Replacement	Eligible Vehicle Average Age	Eligible Vehicle Average Odometer
Mental Health	527	498	94%	11.2	122,468
Corrections	505	444	88%	9.0	139,420
Public Safety	168	155	92%	8.8	113,721
Social Services	128	126	98%	9.8	147,330
Agriculture	119	116	97%	10.3	140,907
Health & Senior Services	51	42	82%	9	131,019
Revenue	36	27	75%	8.4	125,637
Elementary & Secondary Education	27	23	85%	10.3	133,877
Office of Administration	16	16	100%	12.3	105,908
Attorney General	22	12	55%	5.9	123,730
Secretary of State	11	11	100%	9.6	121,492
Economic Development	8	5	63%	7.4	110,234
State Auditor	4	4	100%	9.3	109,040
Natural Resources	3	3	100%	11.3	126,425
State Treasurer	2	2	100%	11	108,055
Governor	1	1	100%	15	82,231
Higher Education	1	1	100%	7	105,469
Lt. Governor	1	0	0%	N/A	N/A
State	1,630	1,486	91%	9.9	130,342

C. Fleet Replacement And Financing

Condition Of The State Vehicle Fleet

Passenger Vehicle Replacement Needs – All Funds

The State Vehicle Policy currently contains a minimum replacement threshold for passenger type vehicles of seven years, 105,000 miles (whichever comes first). The current average odometer reading of vehicles disposed of through State Surplus Property is 126,000 miles.

By the end of FY'06, 73% of the passenger fleet will exceed the 105,000-mile replacement threshold. If this trend continues, over 83% of the passenger fleet will exceed 105,000 miles by the end of FY'07 as presented in the table on the right.³

	# Vehicles Over 105,000 Miles	% of Passenger Fleet Over 105,000 Miles
By End of FY'06	2,153	73%
By End of FY'07	2,454	83%
By End of FY'08	2,687	91%
By End of FY'09	2,768	94%

Medium/Heavy Duty Vehicles

Vehicles that are considered to be medium/heavy duty are not subject to the same minimum replacement criteria as passenger vehicles. Agencies are not required to seek preapproval from the State Fleet Manager for these vehicles in excess of 8,500 lbs. It is difficult for the State Fleet Management Program to estimate the condition or replacement needs of the medium/heavy duty fleet as their normal replacement cycles vary greatly and are primarily dependent upon the function of the vehicle. Data on medium/heavy duty vehicles is included in this document to educate policy makers that there are most likely replacement needs for medium/heavy duty vehicles but State Fleet Management must defer replacement recommendations for these vehicles to state agencies. The condition of the medium/heavy duty vehicle fleet is illustrated below.

<i>Medium/Heavy Duty Vehicles Average Odometer and Age by Funding Source</i>						
	Odometer			Age (in years)		
	GR	Other	All Funds	GR	Other	All Funds
FY'05	60,658	70,986	64,954	9.5	7.5	8.7
FY'06	66,069	79,988	71,859	10.5	8.5	9.7
FY'07	71,480	88,990	78,764	11.5	9.5	10.7
FY'08	76,891	97,991	85,668	12.5	10.5	11.7
FY'09	82,302	106,993	92,572	13.5	11.5	12.7

³ Assuming utilization levels are consistent with actual FY'05 usage.

C. Fleet Replacement And Financing

Fleet Value

FY 06 Fleet Value

The FY'06 estimated replacement value for all vehicles in the State Fleet Information System is illustrated below by funding source. Passenger vehicle replacement values were based on state contract pricing.

Medium and heavy-duty replacement values were based on actual original acquisition cost in the State Fleet Information System plus an annual inflator of 3%. These replacement values could be extremely understated given the current average age of 8.5 years of the existing medium/heavy duty fleet. Currently, there is no reliable mechanism to estimate replacement costs of the medium/heavy duty fleet.

	GR	Other	Total
Passenger	\$24.5 M	\$19.9 M	\$44.4 M
Medium-Heavy Duty	\$13.7 M	\$11.3 M	\$25 M
Total	\$38.2 M	\$31.2 M	\$69.4 M

C. Fleet Replacement And Financing

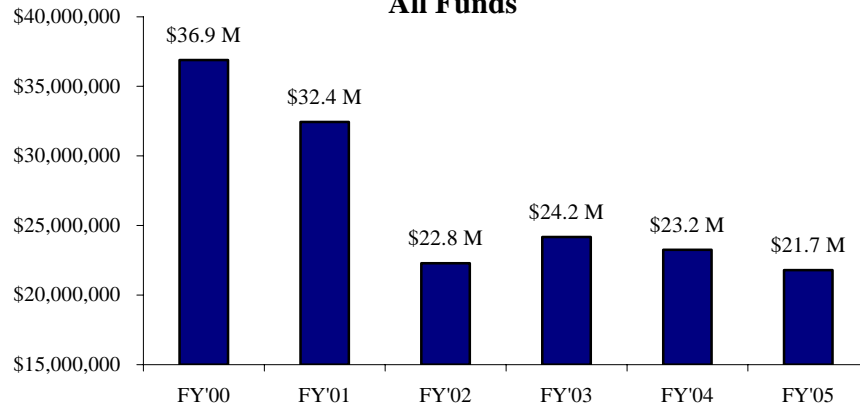
Fleet Replacement

Vehicle Replacements Declining

Vehicle purchases remain suppressed. Agencies replaced approximately 12% of the vehicle fleet annually between 1995 and 2001. In the past four years, only 3 - 5% percent of the vehicle fleet was replaced annually with new vehicles. Ideally, the state should replace 12 – 14% of the fleet each year (7 - 8 year replacement cycle) to avoid large fluctuations in upfront capital required for fleet replacement. The charts below illustrate vehicle purchases by funding source from the SAM II Financial System since FY'00.

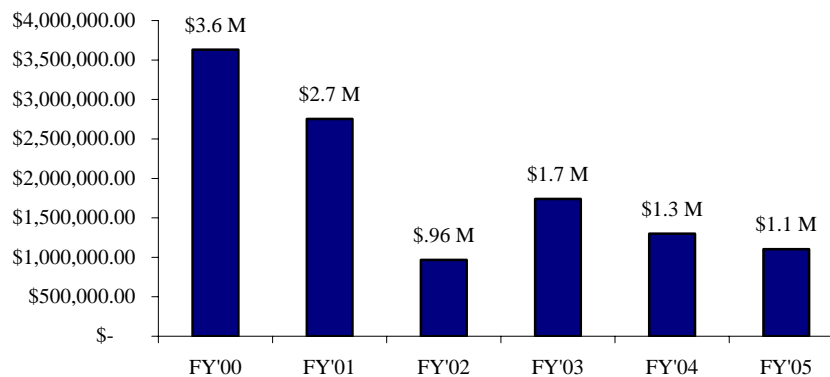
Vehicle Purchases by Fiscal Year

All Funds



Vehicle Purchases by Fiscal Year

General Revenue

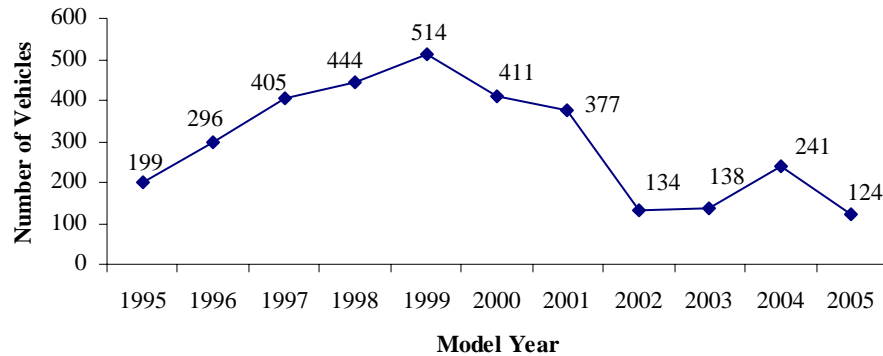


C. Fleet Replacement And Financing

Fleet Replacement

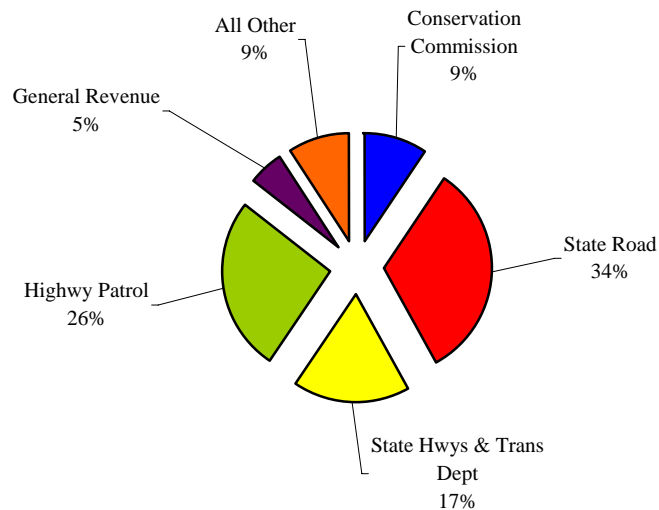
The number of vehicles purchased by model year is illustrated below. This excludes the Departments of Transportation, Conservation and the Missouri State Highway Patrol.

Number of Vehicles Acquired by Model Year
(State Fleet Information System only)



The pie chart below displays vehicle purchases by fund for FY'05.⁴

FY'05 Vehicle Purchases by Fund



⁴ Data depicted on this page was obtained through the SAM II for object code 2748, vehicles which according to the SAM II Chart of Accounts are defined as the purchase of state automobiles, light trucks and passenger vans for state use.

C. Fleet Replacement And Financing

Fleet Replacement

Vehicle purchases by agency are listed below for FY'05.

FY'05 Vehicle Purchases by Agency		
Agency Name	FY'05	% of Total
Public Safety	\$10,295,017	47.2%
Transportation	\$7,108,725	32.6%
Conservation	\$2,052,563	9.4%
Corrections	\$875,929	4.0%
Natural Resources	\$567,399	2.6%
Social Services	\$392,310	1.8%
Economic Development	\$114,858	0.5%
Elementary & Secondary Education	\$86,159	0.4%
Judiciary	\$62,807	0.3%
Agriculture	\$62,539	0.3%
Heath & Senior Services	\$62,100	0.3%
Mental Health	\$28,575	0.1%
Office of Administration	\$27,242	0.1%
Attorney General	\$27,153	0.1%
Public Defender	\$21,915	0.1%
Secretary of State	\$5,489	0.0%
TOTAL	\$21,790,785	

C. Fleet Replacement And Financing

Fleet Financing Options

State Fleet Management annually reports the condition of the state vehicle fleet and potential financing options to OA/Budget and Planning. State Fleet Management has researched the costs and benefits of the following fleet financing options:

- State Ownership
- Municipal Leasing
- Closed End Leases
- Short Term Rentals
- Mileage Reimbursement

State Ownership Is The Least Costly Acquisition Option

Research conducted by State Fleet Management indicates state vehicle ownership is the least costly option at approximately \$.20 per mile to own and operate a typical mid size state-owned sedan.

Other administrative expenses incurred in the management of the fleet are not included but are estimated at approximately \$.015 per mile. For more information on how the state's cost per mile is calculated, see page 27.

Master Municipal Leasing

Municipal leasing is a viable option utilized by government entities (including the Missouri Department of Transportation) for funding essential equipment purchases. Features of a municipal leasing plan include:

	Cost Per Mile
State Vehicle	\$.20
Municipal Lease ⁵	\$.21
Closed End Lease ⁶	\$.30
Mileage Reimbursement (FY'06)	\$.375

- Reduced up front capital costs, annual payments made for 3-5 year terms
- No long term debt obligation for the state
- Rates are tax exempt making it more cost effective than closed end lease programs
- No mileage or wear and tear restrictions
- Vehicle is titled and licensed to the State of Missouri during the lease term
- Vehicle is retained by the state at end of lease
- Maintenance and vehicle repair are the responsibility of the state

⁵ Based on the State's cost per mile plus interest quoted from Bank of America in October 2005 on a five year lease purchase of a mid size sedan.

⁶ Based on a 2005 quote from Enterprise on a 4 year lease for a mid size sedan with a 15,000 mile per year allowance.

C. Fleet Replacement And Financing

Fleet Financing Options

In 2005 State Fleet Management worked in conjunction with OA/Purchasing and OA/Accounting to develop a Master Lease RFP for the state. Once awarded in early 2006, this contract will be available as a low-cost financing option for the purchase of state vehicles. The Master Lease will be used to support the Smart Lease Vehicle Program described on page two.

Closed End Leases

State Fleet Management estimates the cost for a closed end lease at approximately \$.30 per mile based on a recent quote from Enterprise for a 15,000 mile per year, 48 month term lease for a mid size sedan.

Closed end leasing is less expensive than the upcoming FY'07 state mileage reimbursement rate of \$.415 per mile but far more costly than the Master Municipal Lease option or state ownership. The features of closed end leasing are:

- Established for a specific term
- Annual mileage limits
- Overage mileage charges at end of lease term billed at approximately \$.10 per mile
- Vehicle is returned to lessor at term end
- Abnormal wear and tear charges may apply
- Leasing plan can include all maintenance for an extra charge
- Insurance is available for an extra charge
- Vehicles can be licensed to the State of Missouri during the lease term

Short Term Rentals

In 2003, the state awarded a rental services contract with Enterprise Rent-a-Car that offers fixed daily and weekly rates with unlimited miles for daily in-state trips. Short-term daily rentals can be cost effective in certain circumstances, depending on the number of rental days and round trip miles. The use of the rental services contract is increasing and provides a much lower cost option than paying an employee personal mileage reimbursement.

C. Fleet Replacement And Financing

Fleet Financing Options

Mileage Reimbursement

It is in the state's best interest to take a proactive approach in managing mileage reimbursement expenditures. In FY'05, a total of \$15,076,009⁷ was expended for employee mileage reimbursement, which accounts for approximately 23% of the total business miles driven by state employees. Mileage reimbursement is the most costly per mile travel option and therefore state agencies should direct as many business miles as possible to state vehicles or short-term rentals. State Fleet Management will continue efforts to promote the *Trip Optimizer* and the Smart Lease Vehicle Program to reduce mileage reimbursement expenses. Additionally, in 2006 a new State Travel Policy will be issued discouraging the use of personal mileage reimbursement.

	Mileage Reimbursement Data⁸				
	(State Employees Only)				
	FY'03	FY'04	FY'05	FY'06*	FY'07*
Reimbursement Rate	\$.335	\$.33	\$.345	\$.375	\$.415
Expenditures	\$14.4 M	\$13.5 M	\$15 M	<i>\$16.4 M</i>	<i>\$18.1 M</i>
Miles Reimbursed	43 M	41 M	43.6 M		

**Projection.*

⁷ The Commissioner of Administration establishes state mileage reimbursement rates annually effective on July 1 of each year pursuant to Section 33.095 RSMo. 1 CSR 10-11.010 states: "The State mileage allowance rate represents full compensation for the cost of operating your vehicle."

⁸ Based on SAM II mileage reimbursement expenditures for state employees only. Miles reimbursed was calculated by dividing total expenditures by the appropriate state reimbursement rate for each fiscal year. FY'06 and FY'07 were projected based on FY'05 actual expenditures.

D. State Fleet Data

Licensed Vehicles Per Agency

In December 2005, the state owned approximately 10,852 licensed motor vehicles.⁹ The largest owners of state vehicles are the Departments of Transportation, Public Safety and Conservation. Combined, these three agencies own and operate about 65% of the state's licensed motor vehicles. The following table details the number of reported vehicles by agency as of December 2004 and December 2005.

Agency	Number of Licensed Vehicles		
	December 2004	December 2005	Change
Agriculture	265	258	(7)
Attorney General	33	32	(1)
Auditor	4	4	0
Conservation ¹⁰	1,248	1,259	11
Corrections	841	800	(41)
Economic Development	117	104	(13)
Elementary & Secondary Education	152	142	(10)
Governor's Office	1	1	0
Health & Senior Services	94	98	4
Higher Education	12	12	0
Insurance	4	4	0
Labor & Industrial Relations	30	30	0
Lottery	66	65	(1)
Mental Health	684	655	(29)
Natural Resources	726	723	(3)
Office of Administration	94	107	13
OSCA	28	29	1
Public Safety ¹¹	1,476	1,528	52
Revenue	53	45	(8)
Secretary of State	13	13	0
Social Services	350	348	(2)
State Tax Commission	22	22	0
Transportation ¹²	4,571	4,582	11
Treasurer	2	2	0
TOTAL	10,886	10,863	(23)

⁹ This data does not include vehicles owned by other entities within the Judiciary, General Assembly and an estimated 2,449 vehicles from the state colleges and universities and licensed trailers.

¹⁰ Conservation, MoDOT and MSHP vehicle counts are for June 30, not December 31 of each year.

¹¹ Includes 1,204 licensed vehicles from the Missouri State Highway Patrol.

¹² Transportation vehicle counts are for June 30, not December 31 of each year.

D. State Fleet Data

Employees Per Vehicle

One measure of the state fleet's efficiency is the number of employees per vehicle. In FY'05 there were 5.51 employees per vehicle, which was a slight change from 5.56 in FY'04. The table to the right represents the number of employees per vehicle by agency. A higher number indicates relatively **fewer** vehicles for the agency compared to its employee count.

Missouri State Agencies FY'05 Employees per Vehicle	
Legislature	371.5
Insurance	52.0
Labor & Industrial Relations	36.6
State Auditor	36.5
Governor's Office	35.0
Social Services	26.1
State Treasurer	25.0
Health	21.3
Elementary & Secondary Education	19.4
Secretary of State	18.8
Revenue	15.6
Mental Health	14.6
Economic Development	14.5
Corrections	14.1
Attorney General's Office	11.9
Office of Administration	10.3
OSCA	8.1
Lt Governor's Office	8.0
Public Safety	7.1
Higher Education	6.0
Natural Resources	3.0
Highway Patrol	1.8
Conservation	1.8
Agriculture	1.7
Transportation	1.6
State Average	5.5

D. State Fleet Data

Total Business Miles

The total miles driven measurement reflects the total estimated business miles traveled on official state business in licensed vehicles. This data includes business miles collected from the following data sources:

- State Fleet Information System
- Self-reported data from MoDOT, Conservation, and MSHP
- Estimated miles reimbursed for personal use of state vehicles¹³

FY'05 total business miles increased 1.6%. Approximately 23% of the total miles are personal mileage reimbursement.

Agency	FY'04	FY'05
State Treasurer	23,030	11,643
Governor	17,205	15,211
Lt. Governor	20,604	21,175
Higher Education	148,452	179,293
Secretary of State	319,571	304,799
Insurance	422,795	416,423
State Auditor	485,633	463,249
Attorney General	1,115,079	1,209,811
Labor & Industrial Relations	1,292,097	1,268,639
Office of Administration	1,145,873	1,297,643
Legislature	1,751,966	1,829,205
Office of the State Courts Administrator	1,883,438	2,102,981
Public Defender	2,065,777	2,387,191
Elementary & Secondary Education	3,194,959	3,376,781
Revenue	3,792,246	3,643,188
Agriculture	3,743,716	3,876,752
Economic Development	4,247,389	4,461,067
Health & Senior Services	5,841,540	6,055,027
Mental Health	7,647,167	7,790,864
Natural Resources	8,330,318	8,429,928
Corrections	15,043,568	15,017,671
Conservation	17,845,041	17,012,064
Social Services	18,400,162	20,133,006
Public Safety	29,939,537	30,156,350
Transportation	61,607,820	61,865,676
TOTAL	190,324,984	193,325,638

¹³ Calculated by taking total instate and outstate mileage reimbursement expenditures for state employees only divided by the appropriate mileage reimbursement rate issued by OA Accounting.

D. State Fleet Data

State Vehicle Use

State vehicles are utilized for a variety of functions. Each agency has outlined the purpose of its fleet in their fleet agency fleet descriptions located in Section F. The State Fleet Information System classifies approximately 3,827¹⁴ vehicles according to their assignment (pool, function, or individual) and purpose (client transportation, employee transportation, special purpose or task specific).¹⁵ The tables on this page illustrate these classifications of vehicle assignments along with the associated miles driven per assignment.

PRIMARY ASSIGNMENT				
	Vehicle Count	% of Vehicles	Average Miles Driven	% of Miles Driven
Pool	814	21%	17,473	28%
Function	2,482	65%	10,046	52%
Individual	531	14%	17,866	20%

Examples of state vehicle use are displayed below to illustrate some of the specific uses of vehicles in the state fleet.

PRIMARY PURPOSE				
	Vehicle Count	% of Vehicles	Average Miles Driven	% of Miles Driven
Client Transportation	518	14%	10,487	11%
Employee Transportation	1,123	29%	18,389	41%
Special Purpose	986	26%	11,633	24%
Task Specific	1,200	31%	9,307	24%

Examples of State Vehicle Use

Law Enforcement	Meat & Grain Inspections
Caseworkers	Mail Delivery
Child Abuse & Neglect Investigations	Nursing Home Inspections
Mental Health Client Transportation	Employee Transportation
Emergency Response	Parks Maintenance
Facility Support	Inmate Transportation
Road Maintenance & Construction	Environmental Investigations & Enforcement

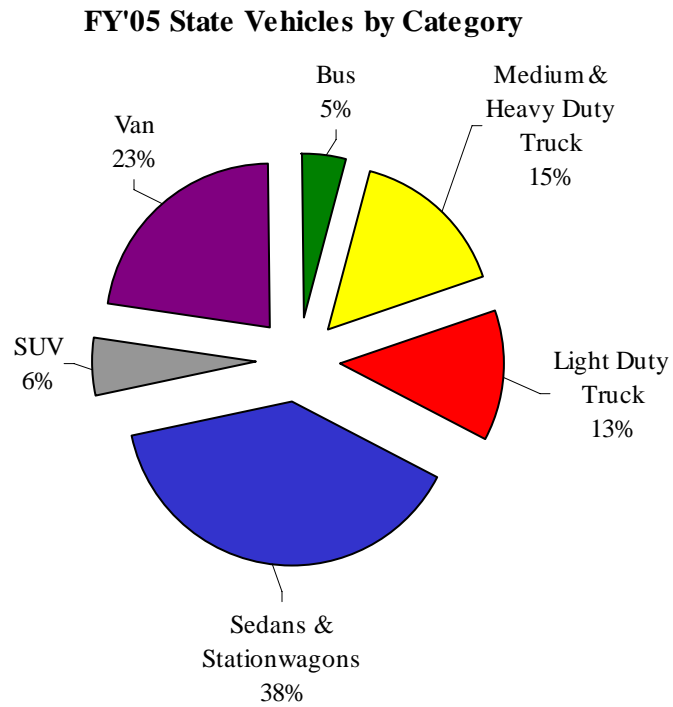
¹⁴ As of January 2006.

¹⁵ Data from the Departments of Transportation, Conservation and the Missouri State Highway Patrol are excluded from this analysis.

D. State Fleet Data

State Fleet Composition

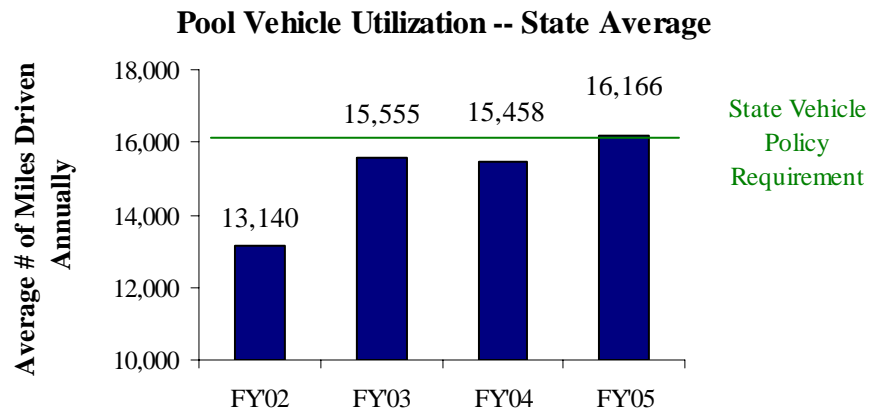
The chart illustrates the breakdown of licensed vehicles in the state fleet. The data excludes the Departments of Transportation, Conservation and the Missouri State Highway Patrol.



D. State Fleet Data

Pool Vehicle Utilization

The State Vehicle Policy requires an average of 15,000 annual miles for vehicles assigned to pools. Approximately 23% of the vehicles in the state fleet are assigned to a pool. Pool vehicles are general use vehicles available for temporary assignment to multiple individuals. The following table represents the reported average pool utilization per agency for FY'05.



FY'05 Average Pool Utilization by Agency			
Agriculture	15,300	Mental Health	15,174
Attorney General	23,170	Natural Resources	15,901
Conservation	15,223	Office of Administration	15,121
Corrections	17,754	OSCA	16,527
Economic Development	15,254	Public Safety (except MSHP)	16,401
Elementary & Secondary Ed	16,742	Revenue	15,299
Health	19,526	Secretary of State	11,135
Higher Education	14,216	Social Services	15,965
Highway Patrol	17,666	State Auditor	15,195
Insurance	9,767	State Treasurer	6,482
Labor & Industrial Relations	17,134	Transportation	14,690
STATE AVERAGE			16,166

D. State Fleet Data

Assigned Vehicle Utilization

The State Vehicle Policy requires 15,000 annual miles for vehicles permanently assigned to an individual. Special purpose vehicles such as those operated by POST certified law enforcement officers are exempt from these criteria.

The following table represents the reported average miles driven by agency for non-specialty use vehicles assigned to individuals in FY'05. The Departments of Transportation, Conservation and the Missouri State Highway Patrol are excluded from this analysis.

FY'05 Average Utilization Vehicles Assigned to Individuals		
Agency	Number of Vehicles	Average Miles Driven
Agriculture	95	20,942
Economic Development	49	16,923
Elementary & Secondary Education	1	12,908
Health & Senior Services	2	22,004
Labor & Industrial Relations	10	17,215
Mental Health	3	24,901
Public Safety	39	19,942
Revenue	93	21,042
Social Services	3	14,013
Corrections	8	16,404
State Average	303	19,902

D. State Fleet Data

Commuting In State Vehicles

State Fleet Management revised the State Vehicle Policy on February 1, 2004 to further define the types of commuting (or the instances where employees take vehicles home). There are two types of commuting: exempt and reportable.

Exempt commuting means that the employee is exempted from federal and state taxation reporting requirements. Individuals that work from their home, such as Missouri State Highway Patrol officers are an example of this type of commuting.

Reportable commuting assignments apply to individuals who are subject to federal and state taxation reporting requirements. Complete definitions and allowable circumstances for exempt and reportable commuting are available in the State Vehicle Policy on the web at: <http://www.oa.mo.gov/gs/fm/statevehiclepolicy.htm>.

Beginning in 2004, agencies were asked to submit the new Reportable Commuting Authorization Form for the State Fleet Manager's approval as required under the revised State Vehicle Policy. All reportable commuting assignments were reviewed to ensure consistency across state agencies.

The table below represents the most recent count of the number of reportable commuting assignments reported by state agencies. The Departments of Conservation and Transportation did not submit reportable commuting forms. See Section E, Agency Fleet Compliance for more information.

REPORTABLE COMMUTING ASSIGNMENTS			
Agency	Approved	Not Submitted For Review	Pending Review
Attorney General's Office	1		
Conservation		43	
Corrections	8		
Economic Development			1
Health & Senior Services	1		
Gaming Commission			5
Lottery	6		1
Mental Health	1		
Public Safety	3		
Social Services	12		
Transportation		129	
TOTAL	32	172	6

D. State Fleet Data

Cost Per Mile - Sedans

One key measure necessary to monitor fleet cost is the total cost per mile. Tracking the cost to own and operate state vehicles is essential to making informed decisions regarding the state fleet. The cost to own and operate a non specially equipped sedan in the state fleet was approximately \$.206 per mile in FY'05, which is the lowest cost of any fleet financing option as discussed on page 16. State Fleet Management has researched other state's cost per mile to own and operate a sedan and found our cost to be comparable with other states.

The cost per mile for mid and full size sedans is illustrated on this page and discussed below.

	FY'05 COST PER MILE SEDANS		
	Mid Size	Full Size	Weighted Average
Depreciation	\$.0779	\$.0944	\$.083
Insurance/Fleet Fee	\$.0110	\$.0110	\$.011
Fuel	\$.0721	\$.0758	\$.073
Maintenance & Repair	\$.0390	\$.0384	\$.039
Total	\$.2001	\$.2197	\$.206

Depreciation

2005 model year pricing from statewide contracts issued by OA/Purchasing minus the estimated residual value based on similar vehicles disposed of at 132,000 miles through State Surplus Property. Total estimated depreciation was divided by 132,000 miles (actual average odometer reading for sedans disposed in FY'05 through State Surplus Property).

Insurance & Fleet Fee

Insurance represents a three-year average of actual motor vehicle claims paid through the State Legal Expense Fund divided by the fund's number of covered vehicles divided by 15,000 estimated annual miles. The fleet fee represents the \$8.00 per vehicle annual fee charged under Section 37.450 RSMo divided by 15,000 annual miles.

Fuel

Fuel is based on actual vehicle averages from the State Fleet Information System.

Maintenance and Repair

Maintenance and repair is based on actual vehicle averages from the State Fleet Information System.

D. State Fleet Data

Operating Cost

In FY'05, state agencies reported an increase in the cost of fuel and maintenance of 19% and 21% respectively over the prior fiscal year. Fuel, maintenance and repair expenditures for *licensed vehicles only* are illustrated in the table below.

Fuel Expenditures by Agency			
	FY'03	FY'04	FY'05
Transportation	\$7,402,416	\$9,088,009	\$10,720,177
Conservation	\$1,804,286	\$2,253,606	\$2,795,442
Highway Patrol	\$1,855,692	\$2,151,195	\$2,369,487
All Other Agencies	\$3,838,905	\$3,994,117	\$4,960,723
Total	\$14,901,299	\$17,486,927	\$20,845,829

Maintenance & Repair Expenditures by Agency			
M&R	FY'03	FY'04	FY'05
Transportation	\$4,671,412	\$5,313,007	\$6,870,283
Conservation	\$711,608	\$931,158	\$940,365
Highway Patrol	\$359,793	\$382,459	\$499,498
All Other Agencies	\$2,052,109	\$2,234,008	\$2,414,019
Total	\$7,794,922	\$8,860,632	\$10,724,165

E. Agency Fleet Compliance

Fleet Management Statute Compliance

Section 37.450 RSMo authorizes the Commissioner of Administration to issue policies governing the acquisition, assignment, use, replacement and maintenance of state-owned vehicles. The State Vehicle Policy (SP-4) promulgates these policies. State Fleet Management monitors agency compliance with the Fleet Management Statute and the State Vehicle Policy. The statute and policy can be found on the web at <http://www.oa.mo.gov/gs/fm/index.htm>. A report of agency compliance follows.

Reporting of State Vehicle Data

As required under Section 37.450 RSMo (3)¹⁶ the State Fleet Information system was implemented on July 1, 2003. Agencies are required to submit vehicle data in a format and frequency requested by the State Fleet Manager. A majority of agencies met this deadline, but the following agencies have not yet provided the requested FY'03, FY'04 or FY'05 data.

- Department of Transportation
- Department of Conservation
- Missouri State Highway Patrol

The Department of Conservation and the Missouri State Highway Patrol have implemented new fleet information systems and are in the process of working on an interface into the State Fleet Information System.

The Missouri Department of Transportation has its own internally developed fleet tracking system. MoDOT has yet to begin writing interface programs to provide their data to State Fleet Management. MoDOT has indicated that they are going out for bid for a new fleet system so work on a data interface has been put on hold.

Without detailed vehicle data, State Fleet Management is unable to confirm agency compliance with minimum utilization standards outlined in the State Vehicle Policy (SP-4) for the Departments of Transportation, Conservation and the Missouri State Highway Patrol.

¹⁶ Section 37.450 RSMo. (3) The fleet manager shall institute and supervise a state fleet vehicle tracking system in which the cost of owning and operating each state vehicle is documented by the agency owning the vehicle. All state agencies shall report the purchase and the sale of any vehicle to the fleet manager and provide any additional information requested by the fleet manager in the format, manner and frequency determined by the office of administration....

E. Agency Fleet Compliance

Fleet Management Statute Compliance

State Vehicle Fleet Fee

The fleet management statute¹⁷ requires each state agency to pay a state vehicle fleet fee, as determined by the Office of Administration, for each vehicle it owns. Fee assessments are issued in July, based on the number of active vehicles shown in the State Fleet Information System as of June 30th each year.

The purpose of the fee is to fund the Fleet Information System and other administrative expenses incurred in management of the state fleet. Since the Office of Administration developed the State Fleet Information System in-house, agencies are not billed for system development or ongoing system support costs as part of the fee. Only administrative costs including the State Fleet Manager's salary, associated fringe benefit expenses and some minor expense and equipment were billed to agencies for FY'06. The FY'06 rate for the state fleet fee was \$12.00 per licensed active vehicle.

Vehicle counts as of June 30, 2005 were used to calculate each agency's total fee. Since the Departments of Transportation, Conservation and the Missouri State Highway Patrol have fleets in excess of 1,000 vehicles, their fleet fee invoice was reduced to \$6.00 per vehicle as allowed by statute.

Agencies that have never paid their state fleet fee are:

- Department of Transportation
- Department of Conservation

The Department of Transportation expressed its refusal to pay the state fleet fee because they believe a full credit of the fee should apply, and they refuse to authorize agency funds to pay for services which they believe are redundant to those provided by their own agency.

The Department of Conservation has not paid the fleet fee and questioned the benefit the department would receive from State Fleet Management.

¹⁷ Section 37.450 RSMo. (7) Each agency shall pay a state vehicle fleet fee, as determined by the office of administration for each vehicle it owns for the purpose of funding the state fleet vehicle tracking system and for other administrative expenses incurred in management of the state vehicle fleet. Any agency that owns at least one thousand vehicles shall receive a credit against the state vehicle fleet fee for the internal fleet management services performed by such agency, provided such agency furnishes all information required by the fleet manager.

E. Agency Fleet Compliance

State Vehicle Policy Compliance

With the inception of the State Fleet Information System, State Fleet Management is better equipped to analyze agency fleet data and determine agency compliance with policy standards. Also, agency compliance is verified prior to any new or used vehicle purchases as part of the vehicle pre-approval process previously implemented at the beginning of FY'04.

State Colleges and Universities

In July 2003, discussions with the Department of Higher Education led to the determination that state colleges and universities were responsible for following the State Vehicle Policy, but they would be exempt from the vehicle pre-approval process. Although State Fleet Management distributed the State Vehicle Policy to state colleges and universities, the ability to monitor compliance is limited due to lack of resources as well as a lack of data since none of the colleges and universities have agreed to utilize the State Fleet Information System. Additionally, State Fleet Management has requested detailed vehicle data from all of the state colleges and universities, but the format is not conducive for making a thorough analysis of the efficiency of their fleets.

Agency Non-Compliance Issues

The following are areas in which agencies are currently not compliant with the State Vehicle Policy:

1. The policy requires an average annual minimum utilization of 15,000 miles for pool vehicles. Listed below are the agencies with averages below the minimum requirement:
 - Department of Transportation
 - Department of Insurance
 - Higher Education
2. The Department of Transportation communicated their intent not to adhere to the following statewide fleet management policies:
 - Track individual trip information
 - Obtain preapproval of passenger vehicles
 - Obtain approval to expand the size of their fleet
 - Obtain approval for reportable commuting assignments

E. Agency Fleet Compliance

State Vehicle Policy Compliance

3. The Department of Conservation communicated their intent not to adhere to the following statewide fleet management policies:
 - Track individual trip information
 - Obtain preapproval of passenger vehicles
 - Obtain approval of all reportable commuting assignments

F. Agency Fleet Purpose Descriptions

Since the State of Missouri operates in a decentralized fashion, agencies were asked to submit information that presents an overview of how their fleet is utilized.

Attorney General

- Provide a pool of vehicles for attorneys to travel to court appearances throughout the state
- Mail delivery

Secretary of State

- Operate a carpool used by employees of the office in the routine duties of their positions, which includes but is not limited to securities investigations, delivery of library grant checks, and presenting and attending seminars throughout the State of Missouri
- Delivery and retrieval of records
- Mail pickup and delivery

State Auditor

- Transportation of employees
- One vehicle designated for local courier

State Treasurer

- Operate a carpool used by employees of the office in their routine duties, which include unclaimed property and linked deposit audits, unclaimed property booths, presenting and attending seminars throughout the State of Missouri
- Mail pickup and delivery

Agriculture

- Weights and Measures Division: Fuel and scale inspections, etc.
- Grain Inspection and Warehousing Division: Grain inspections and audits, etc.
- Plant Industry Division: Nursery inspection, gypsy moth and boll weevil control, etc.
- Market Information and Outreach Division: Market reporting and scholarship awards, etc.
- Animal Health Division: Meat inspection, food safety, brucellosis inspections, animal identification, etc.
- Agriculture Business Development Division: Travel relating to program activity grants and loans, etc.

F. Agency Fleet Purpose Descriptions

Conservation

- The Department of Conservation (MDC) provides highway, construction, farm, marine and other equipment, which are necessary for its operations and intended for official use
- MDC vehicles and equipment are tools for staff to deliver programs and services that positively affect Missouri's forest, fish, and wildlife resources

Corrections

- Inmate transportation
- Institutional security (perimeter patrol/emergency response)
- Operate pool vehicles used by employees
- Special use vehicles for delivery of commodities (food, etc.) and materials (Missouri Vocational Enterprise products, road aggregate material, etc.)
- Institutional support and maintenance of buildings

Economic Development

- Pick up and delivery of supplies, inventory, and mail
- Support and maintenance of remote site and local buildings
- Investigations and inspections (Professional Registration)
- Operate a carpool used by employees of the department

Elementary & Secondary Education

- Support and maintain state-owned buildings
- Operate a carpool used by employees
- Support administrative functions (mailroom, print shop, telecommunications, laundry)
- Investigations and license revocations
- Transport students and staff
- Transport staff to provide technical assistance to school districts

Health & Senior Services

- Nursing home Inspections
- Hospital Inspections
- Restaurant Inspections
- Daycare Facility Inspections
- In home visits of seniors
- Milk Processing Plant Inspections
- Sewage Treatment Inspections
- Facility Air Quality Inspections
- Elder Abuse Investigations

F. Agency Fleet Purpose Descriptions

Higher Education

- Perform job functions in out-state Missouri
- Transport staff and board members to various meetings throughout the state
- Staff visits to public and private campuses
- Daily inter-city mail and delivery route

Insurance

- Operate a carpool to be used by department employees for regulatory functions
- Provide a vehicle to be utilized for mailroom functions

Labor & Industrial Relations

- Perform tax audits
- Perform mine safety inspections
- Support and maintain state owned buildings
- Maintain statewide information systems
- Adjudication
- Fraud and non-compliance investigations
- Support administrative functions

Mental Health

- Transport clients and consumers
- Maintenance of buildings and grounds at Department of Mental Health (DMH) facilities
- Support department programs and activities
- Provide transportation for DMH employees to conduct state business

Natural Resources

- To support the compliance assistance, planning, monitoring, research, public assistance, sampling, and when necessary investigation and enforcement associated with landfills, hazardous waste, public drinking water, water quality, air quality, soil conservation and other environmental activities
- To provide a pool of vehicles in Jefferson City for use by department staff that travel statewide to administer department programs and interact with the public regarding environmental regulation, enforcement, abatement, and planning
- To provide for an Emergency Environmental Response capability that includes responding to hazardous material spills and supporting methamphetamine abatement and lab cleanup efforts
- To support the operation, maintenance, administration, construction, and security of over 80 state parks and historic sites

F. Agency Fleet Purpose Descriptions

- To support providing assistance, education, and guidance in the use and protection of Missouri's geologic and land resources, including interpreting the State's geological and hydrological setting; interpreting the character and availability of its water, energy, and mineral resources; insuring the safety of dams; and determining land boundaries
- To demonstrate and publicize vehicles that employ technological advances with potential for increased energy efficiency and/or reducing the dependence on foreign oil

Office of Administration

- Support and maintain state owned buildings
- Operate a carpool used by OA employees, elected officials and numerous other state agencies
- Inspect state construction sites and leased facilities throughout the State of Missouri
- Delivery of interagency mail, printing products

Office of the State Courts Administrator

- Support the operations of state courts
- Support statewide court automation
- Support judicial and clerk training programs
- Local use; e.g., mail, I.T. operations between four facilities, etc.

Public Safety

- *Office of the Director*
 - Support of the Department of Defense Equipment Program, Narcotics Control Program and Office of Homeland Security
- *State Emergency Management Agency (SEMA)*
 - Respond to emergency situations
 - Training for city and county Emergency Management Directors
 - Preparedness and planning for city and county Emergency Management Directors
- *Alcohol and Tobacco Control*
 - Enforcement and licensing of liquor establishments
- *Missouri Veteran's Commission (MVC)*
 - Provide transportation for residents
 - Support and maintain residents and veteran's homes
 - Operate a carpool for employees
- *Missouri Capitol Police (MCP):*
 - Police patrol
 - Response to calls for police service
 - Traffic enforcement and parking enforcement
 - Security escorts

F. Agency Fleet Purpose Descriptions

- *Missouri Water Patrol (MWP)*
 - Deliver law enforcement personnel with appropriate technical equipment to all areas of the state to achieve mission as defined by RSMO. Chapter 306
 - Emergency response such as floods, earthquakes, Homeland Security details and other similar missions
 - Operate a small pool of additional specialized vehicles that support the MSWP mission such as, Homeland Security, dive response vehicles, blood alcohol content testing vans, evidence vehicles and radio telecommunications vehicles
- *Division of Fire Safety (DFS)*
 - Emergency response to fires and or explosions
 - Inspections of daycare and group homes, boilers, pressure vessels, elevators, escalators and amusement rides
 - Provide pool vehicles for staff
 - Transport state property
- *Adjutant General's Office*
 - Support of Missouri National Guard missions
 - Support facility maintenance requirements
 - Mail deliveries

Department of Revenue

- Transportation of agency staff while conducting state business

Social Services

- Direct services to the public (rehabilitation services for the blind)
- Support and maintain direct services to youth and families (youth homes, case management and aftercare services, child abuse/neglect investigations/interventions)
- Investigations of child fatalities, Medicaid and IM (welfare) fraud
- Operate a carpool used by employees of the Department of Social Services
- Mail pick up and delivery
- Transfer of equipment/supplies from one location to another

Transportation

Comprised of passenger vehicles, utility trucks, aerial units, dump trucks, sweepers and various types of off-road construction equipment to construct and maintain the state's highway system

Missouri Lottery

- Promote the Missouri Lottery by traveling to meet with retailers and sponsoring promotional events
- Sales routes
- Maintenance and delivery of Lottery materials

F. Agency Fleet Purpose Descriptions

- Support regional offices located in Kansas City, St. Louis, Springfield and Jefferson City

State Tax Commission

- Delivery and transport vehicles
- Provide a pool of vehicles in Jefferson City for transportation of agency staff for statewide travel.
- Travel to counties to perform appraisals for ratio studies
- Travel to assist county assessors

Appendix A

Fleet Management History

The following is a brief chronological summary of relevant fleet management initiatives from 1997 – 2004.

1997 – 1998

Under the direction of the Lt. Governor's Office, the Council on Efficient Operations (CEO), Vehicle Maintenance and Management Team made the following recommendations:

1. Develop and implement a collaborative plan for purchasing, replacing and re-marketing state vehicles
2. Implement a standard vehicle tracking policy and method
3. Implement a standard vehicle assignment and use policy
4. Develop and implement a comprehensive maintenance program for all state vehicles
5. Implement a fuel program, utilizing an electric fuel card to be used by all state vehicle fleets
6. Standardize the decision process when selecting vehicle travel methods (personal, state, or rental)

The CEO team published the following documents:

- *Vehicle Management & Maintenance, Opportunities to Improve the State of Missouri's Vehicle Fleet Efficiency.* August 20, 1997.
- *Vehicle Management in State Government, An Analysis of Practices and Methods.* January 1998.

2001

State Fleet Management Audit Released

State Auditor, Claire McCaskill, issued an audit of State Fleet Management Report Number 2001-94 (<http://www.auditor.state.mo.us/press/2001-94.pdf>) recommending the Office of Administration set statewide policy for fleet management to include the following requirements:

1. Minimum mileage use requirements
2. Vehicle replacement policies, including replacement thresholds by vehicle type
3. Vehicle purchasing and budgeting procedures
4. Preventive maintenance, including maintenance schedules

Appendix A

Fleet Management History

5. Allowable and unallowable uses and the records required to account for such use
6. Justification for assigning vehicles to individuals
7. Justification for commuting

State Fleet Management Task Force Formed

In response to the State Auditor's report, the Office of Administration convened an interagency State Fleet Management Task Force to develop and recommend a state vehicle policy governing the acquisition, assignment, maintenance and use of state vehicles.

2002

State Vehicle Policy Issued

The Commissioner of Administration issued the State Vehicle Policy (Appendix C) in January 2002. Issuance of this policy satisfied a number of recommendations made by the State Auditor and the House Interim Committee on State Fleet of Motor Vehicles and Airplanes. It also met the Commissioner of Administration's responsibility under Section 37.450 RSMo to issue policies governing the acquisition, assignment, use, replacement and maintenance of state-owned vehicles.

House Interim Committee Releases Report

The House Interim Committee on State Fleet of Motor Vehicles and Airplanes issued a report (<http://www.house.state.mo.us/bills01/intcom01/fleet.htm>) on February 5, 2002 recommending the establishment of a statewide fleet management program under the Office of Administration to encompass the following:

1. A standard vehicle tracking system
2. A central revolving fund within the Office of Administration to retain funds for the purpose of purchasing vehicles
3. A comprehensive maintenance program
4. A policy to ensure state vehicles are used solely for state business
5. Annual safety inspections of all vehicles
6. Compliance of all state purchasing policies
7. Annual reporting of the state fleet
8. Standardize the decision process for selecting vehicle travel methods
9. Establish a standardized policy on transporting personnel

Appendix A

Fleet Management History

Fleet Management Legislation Signed Into Law

Governor Holden signed HB 1270 and 2032 (Appendix B) on July 11, 2002 creating a Fleet Management Program within the Office of Administration.

State Fleet Manager Appointed

The State Fleet Manager was appointed on August 1, 2002.

Fleet Management Advisory Committee Formed

The Fleet Management Advisory Committee (FleetMAC), a committee of representatives from all state agencies, began its work on August 8, 2002.

Efforts Begin to Determine Agency Compliance with the State Vehicle Policy

In August 2002, the Office of Administration, Division of General Services issued a questionnaire to state agencies to determine compliance with the State Vehicle Policy.

State Fleet Management Website Developed

The State Fleet Management website was developed in August 2002 and is available at <http://www.oa.mo.gov/gs/fm/index.htm>. The website serves as a resource for agency fleet managers and provides information on statewide fleet initiatives.

Fleet Information System Requirements Finalized

In October 2002, the Office of Administration, with the assistance of FleetMAC, finalized system requirements for the Fleet Information System required under Section 37.450 RSMo.

State Agencies Directed to Review Fleet Assignments and Reduce Fleets Accordingly

State agencies were directed to review their fleet assignments and determine if they are justified. Agencies were also directed to reduce the number of assigned vehicles, on-call vehicles and overall size of the state fleet.

Appendix A

Fleet Management History

Fleet Information System Development Begins

The Office of Administration, Division of Information Systems began system development in December 2002.

2003

State Agencies Reduce Passenger Vehicles by 10%

State agencies reported fleet reductions of 969 vehicles since the beginning of the state fleet initiative.

Vehicle Preapproval Process Implemented

To contain growth in the state fleet, all new or used passenger vehicles less than 8,500 GWV (Gross Vehicle Weight), with the exception of law enforcement pursuit vehicles driven by POST¹⁸ certified law enforcement officers, must now be pre-approved before purchase.

State Fleet Information System Implemented

The web-based State Fleet Information System was developed in-house by the Office of Administration and implemented on July 1, 2003, saving approximately \$345,000 in system development costs.

Benefits of the information system include:

- Uniform reporting of state vehicle data from all state agencies
- Statewide fleet analysis including the ability to monitor agency compliance with the State Vehicle Policy
- Accurate and consistent count of the number of state vehicles
- Reconciliation of vehicle data with the Department of Revenue
- Improved efficiencies by generating required reports and automating the transfer of data for vehicle maintenance and repair costs
- Submission of required alternative fuel and vehicle data to the Department of Natural Resources

¹⁸ Peace Officers Standards Training Program administered by the Missouri Department of Public Safety.

Appendix A

Fleet Management History

State Fleet Management conducts first analysis of cost to own and operate a state vehicle

Research conducted by State Fleet Management indicated that state vehicle ownership is the least costly fleet financing option at approximately \$.21 per mile¹⁹ to own and operate a typical state-owned sedan.

State Fleet Management develops Trip Optimizer tool

A *Trip Optimizer* tool was developed to assist agencies in determining the most cost effective mode of travel between Amtrak, state vehicles, mileage reimbursement and rentals. The *Trip Optimizer* is a user-friendly tool available for state employees on the State Fleet Management web site at <http://www.oa.mo.gov/gs/fm/traveloptions.htm>. The user enters the number of trip days and round trip miles and the most cost effective travel option is displayed. State Fleet Management promoted the Trip Optimizer through Fleet Management Advisory Committee, Financial Management Advisory Committee and the State Purchasing Committee.

2004

Rebid State Fleet Fuel Card Contract

State Fleet Management, along with OA/Purchasing drafted a request for proposal to explore opportunities for savings.

Upgraded State Fleet Information System

On June 1, 2004 the State Fleet Information System was upgraded to further classify vehicles assigned to dedicated tasks. This change will provide better information to analyze the utilization of such vehicles.

Promoted Use of the Trip Optimizer

The State Fleet Manager promoted use of the *Trip Optimizer* with the Statewide Purchasing Committee, FMAC (Financial Management Advisory Committee) and agency fleet managers.

¹⁹ FY'03 cost to own a operate a sedan. FY'04 cost is available on page 24.